

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 1, 1996

SUBJECT: **SB 2187 - HB 2276**

This bill, if enacted, will provide that in the event of a change in the governmental structure of a school system through a process of annexation, unification, consolidation, abolition, reorganization or transfer to another school system, the following provisions will apply:

- 1) The surviving system is not required to hire non-tenured teachers from the abolished system.
- 2) The surviving system shall be under no obligation to employ any employee of the abolished system in the specific position which the employee held in the abolished system. The surviving system may transfer or reassign any employee, and compensate that employee at the applicable rate within the surviving system.
- 3) All Memorandums of Agreement and contracts between the abolished system and its employees automatically terminate and have no further effect on the surviving school system.
- 4) Teachers transferring from the abolished system to the surviving system shall be subject to the compensation and benefits as provided by the Memorandums of Agreement and contracts which exist in the surviving system.

Under current law, the highest compensation package of the merging school systems will become effective.

The fiscal impact on local governments from enactment of this bill in and of itself is estimated to be minimal since the provisions of the bill

are permissive. However, to the extent the emerging school system after consolidation chooses to compensate teachers with a lower salary and benefits package or chooses not to employ certain teachers at all, local government expenditures are estimated to decrease. Such decrease cannot be determined but is estimated to exceed \$100,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director